

ASSISTED LIVING FACILITY MODEL BALANCE SHEET

Name – Facility	Date Completed
Address	

ASSETS		LIABILITIES AND NET WORTH	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash in bank		Accounts payable	
Other short-term investments (e.g., money market, stocks, CDs)		Taxes payable	
Receivables		Loans payable – due within 12 months	
Prepaid Expenses		Current portion long-term debt	
Other (specify)		Accrued payroll / withholding	
		Other current liabilities (specify)	
TOTAL CURRENT ASSETS		TOTAL CURRENT LIABILITIES	
FIXED ASSETS		LONG TERM LIABILITIES	
Vehicles		Loans payable - greater than 12 mo., (e.g., land contract, mortgage, vehicles, bank loans, etc.)	
Furniture and equipment		Other long-term debt (specify)	
Leasehold improvements			
Real estate / buildings		TOTAL LONG TERM LIABILITIES	
Other (specify)		TOTAL LIABILITIES (current + long term)	
TOTAL FIXED ASSETS		OWNER’S EQUITY (Net Worth) (total assets minus total liabilities)	
TOTAL ASSETS (current + fixed)		TOTAL LIABILITIES PLUS OWNER’S EQUITY	

The Assisted Living Model Balance Sheet, DDE-2674, is a suggested format. Other balance sheet formats will be accepted, however, the same basic information is required.

A. What is a balance sheet? What is it used for?

A balance sheet is a financial “snapshot” of you or your business at a given date in time. The balance sheet provides information on what you or your business owns (assets), what your or your business owes (liabilities), and your net worth or the value of the business (equity). The name balance sheet is derived from the fact that these accounts must always be in balance. Assets must always equal the sum of liabilities and equity. By analyzing your balance sheet one can assess your financial status and examine the following:

- Can you or your business meet short-term obligations?
- Can you or your business pay all current and long-term debts as they come due?
- Are you or your business overly indebted, i.e., do your liabilities exceed your assets?

B. Terms

1. Current assets are assets that are usually converted to cash within one year.
  - a. Cash – on hand and/or on deposit and is available
  - b. Short-term investments – generally converted into cash easily, such as money market funds or U.S Government securities
  - c. Receivables – money customers owe to you or your business
  - d. Prepaid expenses – items like insurance premiums or rentals which you have already paid but have not yet “used”
2. Fixed assets are tangible assets with a useful life greater than one year.
  - a. Vehicles
  - b. Furniture and equipment
  - c. Leasehold improvements – improvements on a leased asset that increase the value of the asset
  - d. Land
  - e. Buildings
3. Total assets is the total dollar value of current and fixed assets.
4. Current liabilities are those obligations that are usually paid within 12 months, such as accounts payable, interest on long-term debts, and taxes payable.
  - a. Accounts payable
  - b. Taxes payable
  - c. Loans payable (due within 1 year)
  - d. Current portion of long-term debt
  - e. Accrued payroll and withholding – includes any wages or withholdings owed to or for employees but have not yet been paid
5. Long-term liabilities are any debts owed that are due more than 1 year out from the current date, including loans payable such as a mortgage, vehicle loan, or bank loan.
6. Total liabilities is the total dollar value of current and long-term liabilities.
7. Owner’s equity is what is left when you subtract liabilities from assets.

C. Total assets must be equal to total liabilities and owner’s equity (net worth).

Assets = Liabilities + Owner’s Equity

EXAMPLE:

Assets	\$100,000
Liabilities	<u>\$ 50,000</u>
Owner’s Equity	\$ 50,000

Assets (\$100,000) = Liabilities (\$50,000) + Owner’s Equity (\$50,000)